(b) if so, the details thereof;

(c) whether it is also a fact that these builders are promoted by a large pharmaceutical company;

(d) whether it is also a fact that Income Tax authorities have tried to hush up the cases; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. The Income Tax Department has conducted searches in the premises of some of the builders of Mumbai, during Financial Year 2004-05.

(b) Under the Income Tax Act, investigation culminates into as assessment which then is a subject matter of appeal. The appeals often go up to High Court/Supreme Court. The results of the Search and Seizure, which is a tool of investigation, are known only when appeals, etc. are finalized.

(c) All these builders are not promoted by one pharmaceutical company. However, one of them has close connections with pharmaceutical business.

(d) No, Sir.

(e) Does not arise in view of reply to part (d) above.

Financial autonomy for profit making PSUs

854. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to grant financial autonomy to the profit making public sector undertakings by allowing them to invest in joint ventures; and

(b) if so, whether any final decision has been taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. The Board of Directors of Navratna and Miniratna PSEs were delegated powers to establish joint ventures and subsidiaries subject to certain ceilings. Government have since approved enhancement of the ceiling on investment in

joint ventures and subsidiaries by Navratna and Miniratna PSEs to 15% of the Networth in one project limited to Rs. 1000 crores in case of Navratna, Rs. 500 crores in the case of Miniratna I and Rs. 250 crores in the case of Miniratna II. It has also been decided to enhance the overall ceiling from 15% to 30% of the net worth for all projects put together.

Fake TDS certificates

†855. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether the Economic Offence Cell has detected embezzlement of crores of rupees by the Income Tax officials through fake Income Tax returns and fake TDS certificates in the Income Tax Department, Delhi;

(b) if so, the number of officials of Income Tax Department found involved in this racket;

(c) the amount found to be embezzled during the busting of the said racket;

(d) whether Government are considering to refund the above amount to the concerned tax payer, if not, the reason therefor; and

(e) the action Government propose to take against the accused officials?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Some cases of bogus claim of refunds by filing fictitious returns of income with fictitious TDS certificates have been detected in Delhi. However, the cases were detected by the Income Tax Department itself, which subsequently referred the matter to the Economic Offence Wing of Delhi Police.

(b) So far, one official of the Income Tax Department has been found to be involved in this racket.

(c) The total amount of the fraudulent refund claims detected so far works out to Rs. 3,15,87,648/-.

(d) In the cases so detected, refund has been claimed by filing return of income in the name of fictitious persons and on the basis of fictitious TDS certificates. Therefore, the quesiton of refunding the money to concerned taxpayer does not arise.

†Original notice of the question was received in Hindi.